

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 593 – SB 814

February 9, 2021

SUMMARY OF BILL: Creates the *Tennessee Source of Income Protection and Fair Access to Housing Act* (Act). Prohibits landlords from discriminating based on income regarding various aspects of renting and rental properties. Requires the Department of Economic and Community Development (ECD) and Tennessee Housing Development Agency (THDA) to do the following:

- Inform individuals participating in the federal housing choice voucher program of the individual's rights under this part.
- Inform landlords who accept individuals participating in the federal housing choice voucher program of the landlord's responsibilities under this part.
- Ensure compliance with voucher nondiscrimination laws.
- Work closely with local voucher administrators to encourage reporting of violations of this part.
- Collect, investigate, and remedy complaints under this part.
- Perform regular testing to ensure compliance with this part.
- Create a report annually that contains the number of complaints, the resolutions of the complaints, an analysis of the effectiveness of this part's implementation, and any recommendations to the General Assembly for improvements to this part.
- Post the report on both ECD's and THDA's websites.

Requires ECD to promulgate rules pursuant to the proposed legislation. Authorizes ECD to levy a civil penalty of up to three times the monthly rent.

Authorizes a person who alleges discrimination in violation of this part to seek injunctive relief in a court of competent jurisdiction.

Defines the terms "landlord" and "source of income" for purposes of the proposed legislation.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- It is assumed that the enforcement, promulgation of rules, and other requirements of this proposed legislation will not be effectuated until January 1, 2022.

- According to the United States Census Bureau there are 889,017 renter-occupied housing units in Tennessee, with the median gross rent in Tennessee of \$904.
- Pursuant to Memphis Code of Ordinances Section § 10-36-5 it is already illegal for a person engaging in the sale or rental of property to discriminate based on source of income.
- Based on data from the 2017 American Community Survey conducted by the United States Census Bureau, it is estimated that Memphis makes up over one-third of all renters in Tennessee. It is assumed that these local laws are currently being enforced.
- Any other fiscal impact attributable to the remaining renters in Tennessee is estimated to be not significant.
- Any revenue generated from civil penalties is estimated to be not significant.
- The requirements necessary to effectuate the proposed legislation for the THDA and ECD are estimated to be absorbable within the combined resources and staff of the THDA and ECD.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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